



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/883,913	06/20/2001	Hiroshi Oki	1614.1173	5633
21171	7590	12/29/2006		
STAAS & HALSEY LLP SUITE 700 1201 NEW YORK AVENUE, N.W. WASHINGTON, DC 20005			EXAMINER JANVIER, JEAN D	
			ART UNIT	PAPER NUMBER
			3622	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	12/29/2006	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

09/883,913

Applicant(s)

OKI, HIROSHI

Examiner

Jean Janvier

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-17 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|--|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date ____ | 6) <input type="checkbox"/> Other: ____ |

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 10/02/06 has been entered and a Non-Final is herein being recorded.

Response To Applicant's Arguments

First of all, the specification, page 2: lines 20-30, discloses that the terminal software or client software (processing product) from the ISP or network provider/network services is distributed or given away to prospect users or customers for free and that income from the network services does not depend on the sales of the terminal software or access software or client, **but rather the network services profit by having their menus used** (the server can expect an income from its services). **Here, it is not clear how the use of menus (services) brings income to the network provider.**

Furthermore, the specification, page 3: 17-19, discloses that the invention provides a payback to customers receiving the client software for free or for a payment. However, as shown above, the client software is distributed to the customers or prospects for free not for a payment. **The specification does not disclose why a customer using the distributed client software to access a network provider or ISP will be paid by the network provider. The business strategy associated with paying the customer is**

not immediately apparent. Hence, the step of paying back the customer will be treated, when used in the claims, as a nominal recitation.

The claims or at least the independent claims recite paying back a customer and a distributor based on recorded use results. First, although the specification shows, page 11: 9-15 and page 6: 1-19, that the use results include period of service use, connection fee for service use, however, the specification does not disclose how the period of service use and a connection fee, associated with a distributed product, affects the payment made to a customer and to a distributor. In other words, the payment is not a direct function of the use results despite the explicit recitation therein. At best, the distributor receives a payment when the user installs the client software, distributed by the distributor on behalf of the network provider, to sign-up with the network provider to receive network service (like Internet access) and pays a (monthly) fee to the network provider for such a privilege. The payments may be accumulated for distributing a plurality of client software by the distributor on behalf of the network provider when the prospects use the software to register with the network provider (ISP) and become registered members and pay a connection fee or charge (see page 7: 18 to page 8: 7). Moreover, although the specification, on page 9: 33 to page 10: 3, recites calculating a payback to be made to the distributor by multiplying the sum of the network service use results by a predetermined rate, nevertheless, it is not clear from the specification that the user or registered user is charged an hourly connection fee, as opposed to a flat monthly fee, wherein the hourly fee is accumulated overtime based on the amount of time the user spends accessing online information or browsing the net via the ISP and

wherein the distributor gets paid based on such billing arrangement.

In addition, the specification does not support paying back a user or customer based on recorded service use (connection fee charged to the user).

Second of all, and as best understood, the claims recite a process or system for providing a product, such as a software piece (network or application software or access program), to a user via a distributor, receiving an indication or a signal that the software was actually received and installed by the user to access the provider's or ISP network (storing use results of the product or software by the user) and subsequently providing a payment to the distributor for distributing the software or the product to the user. **The distributor's payment is based on the number of users who receive the distributed product or software and log into the system to use the service provider (ISP) connection or network (use results).** Here, Brewer discloses distributing a client software component (information product or network access software or Internet client software) that enables a user of a personal computer (PC) to connect and interact, over a communication network, with a server of an Internet Service Provider (ISP) to browse the network while required messages, such as advertisements, are being displayed in a particular manner on a display screen of the user's PC (information processing unit) for interaction with the user and user's activity or interaction is recorded. **It is herein understood, from the Brewer's Patent, that the new software or Internet client software (Earthlink client software), which enables the user to connect to the ISP or network service provider to request network service or browse the network, is distributed to the user either electronically or online or on removable media such as**

Art Unit: 3622

diskettes or CDs (having unique identifiers imprinted thereon) via the Post Office (including other means) or through third parties or associated retailers (distributors) POSes or checkouts (col. 5: 5-22). Indeed, Earthlink client software was widely distributed as described above. The user installs the distributed software (product) on his PC (information processing device) upon receiving the said software. The user's PC dials into a network server, to complete the installation of the software, subsequent to providing necessary demographic information, billing (credit) information (for paid network service), an identifier and/or temporary password and username imprinted or supplied with the removable medium (diskette or CD) that contains the software. The server receives and validates the required data, especially the information that comes with the software and credit card data. The server subsequently provides a permanent username and password to the user, which enable the user, now registered, to access network service or browse the network at any given time via the ISP, which usually charges a fee to the user for such access (distributing a software to the user and recording the user's use of the product).

Here, the Examiner clearly concedes that Brewer does not expressly disclose storing a distributor's name distributing an identified product **and calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program** or product (information-processing product) to the user(s) based on the user's information (recorded use information) identifying the user and the unique product.

Art Unit: 3622

However, the process for providing a Software or a product or access program encoded on a computer readable medium (diskette or CD bearing a unique Product identifier) to a user or customer via a third party or distributor, which, when installed on the user's computer, allows the user to access an online distribution system or a computer network or Internet Service Provider (ISP) and for compensating the distributor for distributing the software to the user at a POS is well-established and well documented in the art. In fact, Internet Service Providers or ISPs, such as AOL.com (America Online) including Earthlink, have been distributing free software encoded on 1.44 floppy diskettes (CDs) to prospect users or the public at large via the Post Office or participating retailers' (distributors) POSes or checkouts. The medium or diskette containing the software or client provided by AOL.com or Earthlink, for example, bears a temporary login name and password or identification (including other product identifier). Upon installing the software, encoded on the diskette, on his computer, a user will be prompted to enter the temporary login name and password or identification, which allow the user to connect via a telephone line to a remote server associated with the ISP or AOL.com, wherein, upon validating the user's temporary information imprinted on the diskette, the user can complete the installation or registration process by providing his demographic data including a credit card number (recorded use result) for future billing and establishing a permanent login name or screen name and a password or identification that are stored in the ISP server database. Subsequent to the installation or registration process, the user, now registered, can browse the ISP site or visit other sites or web sites available on the Internet. Further, it is understood that AOL.com (Earthlink) should compensate the distributors or third parties for distributing the diskettes or CDs, having

Art Unit: 3622

the software encoded thereon, at their POSes or checkouts or locations in accordance with a predefined business agreement and wherein upon correlating the information received from the user's installation, such the temporary login name and password and other imprinted product id, with information in a registry or database file, AOL.com server is configured to identify the unique diskettes or products distributed by a specific distributor and calculate a compensation due to the distributor for distributing the diskettes or CDs, having the access program or Internet software encoded thereon, based on the business agreement (calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program).

("Official Notice").

Furthermore, Applicant discloses, as prior art, in the background of the specification on page 2: 20-35, paybacks (compensations) are often provided to client distributors, who distribute clients (such as access program or software) for free or at low prices to users, as an incentive to distribute the client or product (As per Applicant's own disclosure).

Therefore, an ordinary skilled artisan, implementing the Brewer's system or facing the problem of expanding/increasing network usage, would have been motivated at the time of the invention to combine the above public disclosure with the Brewer's system so as to distribute to prospect users free diskettes or CDs, having encoded thereon the ISP client-software or access program for enabling the prospect users to connect to the Internet through the ISP server or system, via a distributor's or retailer's POS where

Art Unit: 3622

the recordable media (diskettes or CDs) can be picked up by the prospect users during the course of shopping and wherein each diskette or CD having imprinted thereon a user's temporary password and login name and other indicia (this information is contained in the CD or diskette package) that are used by the users during installation to complete a sign-up or registration process, thereby providing a financial incentive to the distributor to display the diskettes or CDs, having encoded thereon the ISP sign-up software near the checkout stations within his location where they can be easily picked up for free by interested customers or prospect users while paying for transactions at the distributor's or retailer's POS in an effort to encourage the customers or prospect users to join the particular ISP network service, instead of a competitor's, for a fee, and wherein identification data associated with a particular diskette or CD are read during the users' registration and are used not only to pay the distributor for a successful distribution, but also to measure the effectiveness of the distribution of the diskettes or CDs through third parties or independent distributors and the ISP is able to increase its subscriber base and economic bottom line, while compensations or money received by the distributor for giving away the recordable media, having the ISP client-software encoded thereon, to his customers are used to help cover the distributor's overhead expenses.

Further, in the Brewer's system, it is expected that the access software or access program or the Earthlink software should be distributed to prospect users perhaps through local retailers or distributors locations, in addition to downloading the software online, as practiced by AOL, Netzero, Earthlink and other ISPs and that the retailers or distributors should be compensated one way or another for doing so according to a predefined business agreement between a distributor and an ISP. These findings are well within the

Art Unit: 3622

level of skills of an ordinary skilled artisan. Additionally, and as seen above and contrary to the Applicant's conclusion, the above disclosure does indeed mention the step of providing or calculating a payback or payment to a distributor according to a prior business agreement between the ISP and the distributor for distributing the diskettes and/or CDs, having the access program encoded thereon, which reads on the steps of calculating and determining a payback or compensation to the distributor. **Here, the manner in which the payback, made to the distributor, is computed constitutes a non-functional descriptive material since the distributor will receive a payment or payments regardless of what method is used to calculate the payment or payments.**

Third of all, contrary to the Applicant's conclusion, the "Official Notice" is proper for the materials or facts recited therein are well known and capable of instant and unquestionable demonstration (MPEP 2144.03). Further, making reference to companies, such as AOL, Netzero and Earthlink that are still trading constitute by itself evidentiary support and no affidavit is required in this case to support such a disclosure.

DETAILED ACTION

Specification

Status of the claims

Claims 1-17 are now pending in the Instant Application.

General Comments

Throughout the claimed invention, “information-processing product” will be treated as a --client-software-- as supported in the background. Indeed, the example given in the technical field section, on page 1: 11-19, supports such interpretation and it appears that the specification does not further define the “information-processing product”.

The specification, page 2: lines 20-30, discloses that the terminal software or client software (processing product) from the ISP or network provider/network services is distributed or given away to prospect users or customers for free and that income from the network services does not depend on the sales of the terminal software or access software or client, **but rather the network services profit by having their menus used (the server can expect an income from its services). Here, it is not clear how the use of menus (services) brings income to the network provider.**

Furthermore, the specification, page 3: 17-19, discloses that the invention provides a payback to customers receiving the client software for free or for a payment. However, as shown above, the client software is distributed to the customers or prospects for free not for a payment. **The specification does not disclose why a customer using the distributed client software to access a network provider or ISP will be paid by the network provider. The business strategy associated with paying the customer is not immediately apparent. Hence, the step of paying back the customer will be treated, when used in the claims, as a nominal recitation.**

The claims or at least the independent claims recite paying back a customer and a distributor **based on recorded use results. First, although the specification shows,**

Art Unit: 3622

page 11: 9-15 and page 6: 1-19, that the use results include period of service use, connection fee for service use, however, the specification does not disclose how the period of service use and a connection fee, associated with a distributed product, affects the payment made to a customer and to a distributor. In other words, the payment is not a direct function of the use results despite the explicit recitation therein. At best, the distributor receives a payment when the user installs the client software, distributed by the distributor on behalf of the network provider, to sign-up with the network provider to receive network service (like Internet access) and pays a (monthly) fee to the network provider for such a privilege. The payments may be accumulated for distributing a plurality of client software by the distributor on behalf of the network provider when the prospects use the software to register with the network provider (ISP) and become registered members and pay a connection fee or charge (see page 7: 18 to page 8: 7). Moreover, although the specification, on page 9: 33 to page 10: 3, recites calculating a payback to be made to the distributor by multiplying the sum of the network service use results by a predetermined rate, nevertheless, it is not clear from the specification that the user or registered user is charged an hourly connection fee, as opposed to a flat monthly fee, wherein the hourly fee is accumulated overtime based on the amount of time the user spends accessing online information or browsing the net via the ISP and wherein the distributor gets paid based on such billing arrangement.

Finally, the specification does not support paying back a user or customer based on recorded service use (connection fee charged to the user).

Claim Objections

Claims 1, 3 and 4 are objected to because of the following informalities-

Concerning claims 1, 3 and 4, although the preambles of the claims recite "making a payback to a user or a middleman/distributor", however, the bodies of the claims recite "making a payback to **both** the user **and** the middleman/distributor". For examination purpose and for the reasons given below, the claims will be interpreted as --making a payback to a user or a middleman/distributor--.

Concerning claims 1 and 4 "recording means recording use result..." should apparently be --recording means for recording use result--.

Appropriate corrections are required.

Claim Rejections- 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1, 3, 4, 10, 12 and 17 (including their dependent claims) are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claims contain subject matter, which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Here, the claims recite **providing a payback to a customer based on the customer's use of a product (recorded use result), such as a client software**

Art Unit: 3622

distributed by a distributor and used by the customer to access an ISP system.

Although the specification discloses making a payment to the customer, however, the specification does not expressly support making the payment to the customer based on the customer's use of the distributed product (recorded use result). Further, it is unclear from the specification, at least from a business strategy, why an ISP or product provider would like to pay a customer for using the ISP client Software to connect to the ISP Server, while at the same time making payment to a distributor for distributing the software in the first place to the customer. Finally, because the claims recited making a **payback to one or both the customer and the distributor** does not necessarily mean that the discussed limitation was present at the time the Application was filed since that claim language was interpreted in the alternative, that is **making a payback to the distributor....**

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brewer, US Patent 6, 148, 332A.

Art Unit: 3622

As claims 1-17, Brewer discloses distributing a **client software component (information product) that enables a user of a personal computer (PC)** to connect and interact, over a communication network, with a server of an Internet Service Provider (ISP) to browse the network while required messages, such as advertisements, are being displayed in a particular manner on a display screen of the user's PC (information processing unit) for interaction with the user and user's activity or interaction is recorded (the server storage means stores in general the user's service usage of the Internet service and the user's interaction with the displayed advertisements). As long as a valid communication connection between the PC and the ISP exists, over a network, when the user logs in subsequent to receiving and installing the ISP client software (information product) on his PC, the PC is forced to display a particular message (news, advertisement) in a particular fashion. A user will not be allowed to minimize the message, close the message, or hide the message behind other windows on the PC display screen. The messages will also be interactive so that users are able to get more information related to a particular displayed message, such as by automatically browsing to an associated location on the World Wide Web of the Internet (the user clicks on a hyperlink shown in a displayed message to visit the source of the message and request more information). Information related to interaction with the user is also tracked and communicated back to the ISP for storage and reporting (tracking and recording the user's activity and/or service use and storing the user's activity permanently in the server storage means). The user is also able to designate message selection criteria, such as expressing an interest in seeing certain types of advertisements. The system, as disclosed above, is configured to display messages on an identified or registered Internet client

Art Unit: 3622

(PC) screen whenever an active connection exists between an Internet Server of the ISP and the said Internet client (See abstract).

In general, the present system, in a preferred embodiment, includes a mandatory message display and reporting modules that includes a new client software component for a personal computer (PC) interacting with a new server of an Internet Service Provider (ISP) to require certain messages, or information, to be displayed in a particular manner on a display screen of the PC or Internet client for interaction with a user and reporting user activity (col. 1: 45 to col. 2: 34).

The new software component (of the access software or information product) will also gather information related to interaction with the user. This information is communicated back to the mandatory message server 100 of the ISP and stored thereon. Besides tracking which messages are actually displayed, user interaction tracking is also provided (service usage of the Internet service and/or the user's interaction or activity is recorded). In other words, as the user accesses additional information, i.e. browsing or hyper-linking to a particular source web site based by clicking on the mandatory message area or window or banner having the message displayed thereon, this act is recorded and communicated for storage at the mandatory message server 100 of the ISP. In addition to storing this type of user-specific message display and interaction history information (service usage), which is useful for billing the advertisers, the mandatory message server 100 maintains a database of messages categorized at least by user selection criteria (and including the data of the messages, associated URL's, etc.) and a database of user-specific message selection preferences. The temporary messages and the limited user display

Art Unit: 3622

options are stored at the PC 10. It is further understood that the new software, which enables the user to connect to the ISP, is distributed to the user either electronically or online or on diskettes or CDs (having unique identifiers) via the Post Office (including other means) or through third parties or associated retailers POSes or checkouts (distributors) (col. 5: 5-22).

Here, Brewer discloses distributing a client software component (information product or network access software or Internet client software) that enables a user of a personal computer (PC) to connect and interact, over a communication network, with a server of an Internet Service Provider (ISP) to browse the network while required messages, such as advertisements, are being displayed in a particular manner on a display screen of the user's PC (information processing unit) for interaction with the user and user's activity or interaction is recorded. It is herein understood, from the Brewer's Patent, that the new software or Internet client software (Earthlink client software), which enables the user to connect to the ISP or network service provider to request network service or browse the network, is distributed to the user either electronically or online or on removable media such as diskettes or CDs (having unique identifiers imprinted thereon) via the Post Office (including other means) or through third parties or associated retailers (distributors) POSes or checkouts (col. 5: 5-22). The user installs the distributed software (product) on his PC (information processing device) upon receiving the said software. The user's PC dials into a network server, to complete the installation of the software, subsequent to providing necessary demographic information, billing (credit) information (for paid network service), an identifier and/or temporary

Art Unit: 3622

password and username imprinted or supplied with the removable medium (diskette or CD) that contains the software. The server receives and validates the required data, especially the information that comes with the software and credit card data. The server subsequently provides a permanent username and password to the user, which enable the user, now registered, to access network service or browse the network at any given time via the ISP, which usually charges a fee to the user for such access (distributing a software to the user and recording the user's use of the product).

As per claims 1, 3, 4, 6, 9, 10, 12 14 and 17, although it is implicitly or silently supported in the Brewer's system that the client-software or product is encoded and distributed on a recorded medium (with a unique identifier) to the user either electronically or online or on diskettes (CDs) via the Post Office or through third parties or associated retailers POSes or checkouts (distributors), however, Brewer does not expressly disclose storing a distributor's name distributing an identified product **and calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program** or product (information-processing product) to the user(s) based on the user's information (recorded use information) identifying the user and the unique product.

However, the process for providing a Software or a product or access program encoded on a computer readable medium (diskette or CD bearing a unique Product identifier) to a user or customer via a third party or distributor, which, when installed on

Art Unit: 3622

the user's computer, allows the user to access an online distribution system or a computer network or Internet Service Provider (ISP) and for compensating the distributor for distributing the software to the user at a POS is well-established and well documented in the art. In fact, Internet Service Providers or ISPs, such as AOL.com (America Online) including Earthlink, have been distributing free software encoded on 1.44 floppy diskettes (CDs) to prospect users or the public at large via the Post Office or participating retailers' (distributors) POSes or checkouts. The medium or diskette containing the software or client provided by AOL.com or Earthlink, for example, bears a temporary login name and password or identification (including other product identifier). Upon installing the software, encoded on the diskette, on his computer, a user will be prompted to enter the temporary login name and password or identification, which allow the user to connect via a telephone line to a remote server associated with the ISP or AOL.com, wherein, upon validating the user's temporary information imprinted on the diskette, the user can complete the installation or registration process by providing his demographic data including a credit card number (recorded use result) for future billing and establishing a permanent login name or screen name and a password or identification that are stored in the ISP server database. Subsequent to the installation or registration process, the user, now registered, can browse the ISP site or visit other sites or web sites available on the Internet. Further, it is understood that AOL.com (Earthlink) should compensate the distributors or third parties for distributing the diskettes or CDs, having the software encoded thereon, at their POSes or checkouts or locations in accordance with a predefined business agreement and wherein upon correlating the information received from the user's installation, such the temporary login name and password and

Art Unit: 3622

other imprinted product id, with information in a registry or database file, AOL.com server is configured to identify the unique diskettes or products distributed by a specific distributor and calculate a compensation due to the distributor for distributing the diskettes or CDs, having the access program or Internet software encoded thereon, based on the business agreement (calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program).

(“Official Notice”).

Additionally, the manner in which the payback, made to the distributor, is computed constitutes a non-functional descriptive material since the distributor will receive a payment or payments regardless of what method is used to calculate the payment or payments.

Finally, Applicant discloses, as prior art, in the background of the specification on page 2: 20-35, paybacks (compensations) are often provided to client distributors, who distribute clients (such as access program or software) for free or at low prices to users, as an incentive to distribute the client or product (As per Applicant’s own disclosure).

Therefore, an ordinary skilled artisan, implementing the Brewer’s system or facing the problem of expanding/increasing network usage, would have been motivated at the time of the invention to combine the above public disclosure with the Brewer’s system so as to distribute to prospect users free diskettes or CDs, having encoded thereon the ISP client-software or access program for enabling the prospect users to connect to

Art Unit: 3622

the Internet through the ISP server or system, via a distributor's or retailer's POS where the recordable media (diskettes or CDs) can be picked up by the prospect users during the course of shopping and wherein each diskette or CD having imprinted thereon a user's temporary password and login name and other indicia (this information is contained in the CD or diskette package) that are used by the users during installation to complete a sign-up or registration process, thereby providing a financial incentive to the distributor to display the diskettes or CDs, having encoded thereon the ISP sign-up software near the checkout stations within his location where they can be easily picked up for free by interested customers or prospect users while paying for transactions at the distributor's or retailer's POS in an effort to encourage the customers or prospect users to join the particular ISP network service, instead of a competitor's, for a fee, and wherein identification data associated with a particular diskette or CD are read during the users' registration and are used not only to pay the distributor for a successful distribution, but also to measure the effectiveness of the distribution of the diskettes or CDs through third parties or independent distributors and the ISP is able to increase its subscriber base and economic bottom line, while compensations or money received by the distributor for giving away the recordable media, having the ISP client-software encoded thereon, to his customers are used to help cover the distributor's overhead expenses.

Claims 1-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brewer, US Patent 4,827,508.

As per claims 1-17, shear discloses a "return on investment" digital database usage metering, billing, and security system including a hardware device, which is

Art Unit: 3622

plugged into a computer system bus (or into a serial or other functionally adequate connector) and a software program system resident in the hardware device. One or more databases are encrypted and stored on a non-volatile mass storage device/storage means (e.g., an optical disk) or CD. A tamper-proof decrypting device and associated controller decrypts selected portions of the stored database (product or processing product) and measures the quantity of information, which is decrypted for use (use results). This measured quantity information is communicated to a remote centralized billing facility and used to charge the user a fee based on database usage (charging a fee to a user for using a portion of the application(s) or databases/products stored on the diskette or CD based on use result). A system may include a "self-destruct" feature, which disables system operation upon occurrence of a predetermined event unless the user implements an "antidote"--instructions for implementing the antidote being given to him by the database owner only if the user pays his bill. Absolute database security and billing based on database usage are thus provided in a system environment wherein all database access tasks are performed at the user's site. Moreover, a free market competitive environment is supported because literary property royalties can be calculated based on actual data use (see abstract).

The present system provides a facility for measuring usage of the on-site database for the purpose of billing the user according to the database use or a portion of the application(s) stored on the diskettes or CDs (based on use results) and for periodically conveying the measured usage (recorded use results) information to the database owner or his agent while preventing the user from tampering with the measured usage information (See Col. 3: 52 to col. 8: 34).

Art Unit: 3622

Indeed, a Decoder/biller 300 of fig. 3 meters database usage (product usage) and generates usage information (recorded use result) in a form, which can periodically be conveyed to the owner of the databases (or his agent, e.g., a service company) (see FIG. 6, blocks 906-908). The usage information is typically used to calculate a database access fee the user is to be charged for using one or more applications stored in a storage means (see FIG. 6, blocks 910-914). See col. 9: 18-23.

The Decoder/biller block 300 measures the amount and/or type of information sent to it for decryption and stores information indicating database usage over time from such measured amounts. Decoder/biller block 300 stores all necessary billing and usage information in a protected, non-volatile memory device (or in a protected, non-volatile storage facility within the host computer 200) for later retrieval and use in calculating database usage fees (col. 12: 21-29).

Moreover, the user can be billed an annual fee for unlimited use of some databases or database properties, and billed only for actual use of other databases or database properties. In this way, the user can pay a flat fee for the databases, or specific database properties or "books", he uses most often, and yet have access on a "pay-as-you-go" basis to other databases which he might use occasionally but not enough to justify paying the cost for unlimited use. This billing method provides the user with database resources he might not otherwise be able to afford, and also stimulates use of databases, which are not used often but are nevertheless extremely valuable at times (Col. 16: 29-41).

Art Unit: 3622

Here, the process of storing or identifying the host or distributor distributing the different databases (digital products) on behalf of the publishers is implicitly supported in the prior art or reference.

As per claims 1, 3, 4, 6, 9, 10, 12 14 and 17, Shear does not expressly disclose storing (identifying) a distributor's name distributing an identified product (digital property) from a publisher to an identified user **and calculating or paying by the publisher or Provider (network provider) a fee to the distributor or system host owner (company service) or third party for distributing the identified client-software or application or product (information-processing product) to the user(s) based on the user's recorded use of the product.**

However, it is common practice for a host system owner or third party for charging a fee, based on a predetermined agreement or contract, to a manufacturer or a publisher or service provider, such as AOL.com, Netzero.com, Earthlink, etc, for performing a service or distributing a product, such as an access software (client software), an application or a program, online at the host system site or offline at the third party's location on behalf of the publisher or provider.

("Official Notice").

Additionally, the manner in which the payback, made to the distributor, is computed constitutes a non-functional descriptive material since the distributor will receive a payment or payments regardless of what method is used to calculate the payment or payments.

Finally, Applicant discloses, as prior art, in the background of the specification on page 2: 20-35, paybacks (compensations) are often provided to client distributors, who distribute clients (such as access program or software) for free or at low prices to users, as an incentive to distribute the client or product (As per Applicant's own disclosure).

Therefore, an ordinary skilled artisan, implementing the Shear's system, would have been motivated at the time of the invention to incorporate the above public disclosure into the Shear's system so as to enable prospect users to access or receive the different databases (applications) from the publishers via a host system and to calculate a payment due to the host system (distributor) based on the amount of money charged to the users in accordance with their use of the products or applications (databases) as recorded therein, thereby providing a financial incentive to the distributor or host system to distribute the publishers' products at his location or site to prospect users, while the money received by the distributor for distributing the publishers' products to the prospect users are used to help cover the distributor's or host owner's overhead expenses.

Conclusion

Although the following references were not officially used in the Office Action, they were considered as relevant prior art. Applicants are further directed to review these references.

US Patent 6,377,936B1 to Henrick discloses a method of and a system for enabling targeted marketing of users on the Internet maintains the privacy of the users.

Art Unit: 3622

The present invention takes advantage of the unique customer knowledge of an Internet Service Provider (ISP) with respect to both the customers identity and their likes and dislikes, while preserving the privacy of those customers. Data mining is performed on customers, including the sites that they visit. For example, customers with children are identified by visits to the Disney site. The availability of this list is then used to attract businesses with interest in this customer base. An offer, perhaps with enticements such as coupons or contests, is prepared on a Web site. The ISP then makes the customer aware of that offer via an E-mail with short text describing that offer and a Hypertext link to that page. The customer is informed that they may take advantage of the offer and as a convenience and service to the customer and the advertiser, the ISP will provide their identity to the advertiser. Only when the customer selects the embedded URL is their identity disclosed. The ISP will then identify the customer to the advertiser by associating the customer's temporary IP address with their true identity as a service to the advertiser. Billing will be determined by both the total number of E-mails delivered and the number of responses generated.

US Patent 6, 442, 529 B1 to Krishan discloses a system for delivering targeted advertisements or messages, from a plurality of advertisers or sponsors, to identified users in a manner that does not interfere with the users' browsing session conducted over the Internet. The system includes at least one Internet Service Provider or ISP 24, referral service or advertising medium, offering subsidized or free Internet access (partial or full discount on Internet access) to users 22 who agree to read advertisements from advertisers 26 while the users' computers 50 of fig. 4 or terminals are in an idle mode or bandwidth use is low (See abstract; col. 3: 37 to col. 4: 45). Furthermore, free software

Art Unit: 3622

provided along with a free modem by Portal Provider 20 in agreement with ISP 24 to users 22 so that the users can connect to the Internet via ISP 24 system and wherein the modem and software permit advertisements or messages from advertisers or sponsors to be displayed on the users' computers screens while dialing-up into the ISP system or server or while the Internet connection is idle (col. 5: 52-66; col. 16: 15-23). It is to be understood that the revenue (compensations or fees or commission) earned by the ISP 24, advertising medium, for distributing advertisements from the advertisers or sponsors is used to offer subsidized or free Internet access (partial or full discount on Internet access) to users who agree to read advertisements from the advertisers.

US Patent 6,237,039B1 to Perlman discloses a method of and apparatus for downloading auxiliary data to a client during idle periods and for displaying the auxiliary data while the client is fetching information from the network is disclosed. According to one embodiment of the present invention, the state of a client device is first determined, wherein the client device is in a fetching state while processing a user request and the user is waiting or in an idle state while not processing a user request and the user is not waiting for the client system. Auxiliary data is then downloaded from a server to the client device when the step of determining determines that the client device is in an idle state. Additionally, the downloaded auxiliary data is buffered in an auxiliary buffer. The auxiliary data is then processed to generate an output and the output is displayed on the client device while the client device is in a fetching state.

US Patent 6, 519, 700B1 to Ram discloses in general a system and method for securing the distribution of electronic documents to thereby reduce the likelihood of unauthorized reproduction and redistribution by either authorized users (i.e. those paying

Art Unit: 3622

a licensing fee) or unauthorized recipients. During a transaction, or prior to delivery or transmission, an electronic document is self-protecting (SPD) and the self-protected document contains an encrypted content as well as a secure set of permissions and a software necessary to process or decrypt the transmitted encrypted document at the receiving end is used in order to minimize the possibility of intercepting the document during transmission before it has been fully rendered or uploaded to a screen and/or printed by a printing device coupled to a client system located at the receiving end (user's location). In one specific embodiment, Ram discloses that an author or publisher 110 (owner of intellectual property) creates a document's original content 112 (intellectual property or content work) and forwards it, via a network link or the Internet, to a distributor 114 for distribution over the Internet. Here, although the author 110 (party possessing patent rights) may also distribute documents directly, without involving another party such as a distributor 114, the division of labor set forth or shown in fig. 1 is more efficient, as it allows the author/publisher 110 to concentrate on content creation and not on the mechanical and mundane functions taken over by the distributor 114. Moreover, such a breakdown or division of labor would allow the distributor 114 to realize economies of scale by associating with a number of authors or publishers (parties possessing patent rights including the illustrated author/publisher 110). Upon receiving the transmitted original content 112 from the author 110, the content 112 is stored at the distributor's 114 site, wherein a modified version 116 of the original content 112 (that is an encrypted version of the content 112) is made available to users 118, who may request the electronic document upon accessing the Internet or a web site related to the distributor 114 and obtain the modified version 116 of the electronic document upon paying a

Art Unit: 3622

(licensing) fee for the right to use the said document based on some conditions and/or restrictions (selling the digital document to the requester based on a licensing agreement or transaction rights approved by the author or creator), as practiced in the art. In fact, upon receiving a request or an order from the user 118, the distributor 114 encrypts the originally stored content 112 with the user 118's public key, yielding to modified content 116, and wherein the modified content 116 is uniquely customized for the single user 118 and wherein the user 118 is able to use his private key to decrypt the modified content 116 transmitted from the distributor 114 such that the user can view the original content 112 as created by the author 110. To complete the process, a payment 120 for the purchased content 112 is passed from the user 118 to the distributor 114 by way of a clearinghouse 122 (of fig. 1), which collects requests from the user 118 and other users wishing to view a particular content 112 along with the user's payment information, such as debit transactions, credit card transactions or other known electronic payment schemes, and wherein the clearinghouse forwards the collected users' payments as a payment batch 124 to the distributor 114. Of course, it is expected that the clearinghouse 122 will retain a share of the user's payment 120 and the distributor 114 in turn keeps a portion (a fraction or a percentage) of the payment batch 124 and forwards a payment 126 (including royalties or patent royal (ies) to the author and publisher 110 (party possessing patent rights) or owner or creator of the original content 112. Additionally, each time the user 118 requests (or uses) a document, an accounting message 128 is sent to an audit server 130 of fig. 1. The audit server 130 ensures that each request by the user 118 matches with a document sent by the distributor 114 and accounting information 131 is received by the audit server 130 directly from the distributor 114. Any inconsistencies

Art Unit: 3622

are transmitted via a report 132 to the clearinghouse 122, which can then adjust the payment batches 124 made to the distributor 114. This accounting scheme is present to reduce the possibility of fraud in this electronic document distribution model, as well as to handle any time-dependent usage permissions that may result in charges that vary, depending on the duration or other extent of use.

(See abstract; figs. 1 and 6; col. 4: 41 to col. 5: 25; col. 5: 36-39; col. 7: 37- to col. 8: 44; col. 9: 49 to col. 10: 25; col. 13: 6-21; col. 13: 45-64).

US Patent 6,363,356B1 to Horstmann discloses an associates program for electronic content distribution by providing a mechanism whereby a referrer may be identified at the time of purchase in a download-then-pay system. In accordance with one embodiment of the invention, an identifier or marker is added to the electronic content at the time of download. Merchant and purchase location information may also be added. At the time of purchase, a commerce module retrieves the identifier and presents it to the merchant server. The commerce module may also form part of the download or may originate from another source. The identifier may be used for various purposes. For example, the identifier may be used, directly or indirectly, to identify a referrer, to whom a referral fee is then credited. Also, the identifier may be used to look up offer information, since the price at the time of purchase may be different than the offer price at the time of download. The invention is applicable not only to Try/Buy software distribution, but also more generally to download-then-pay electronic content distribution and rental programs See abstract). (This anticipates at least claim 1).

US Patent 6,029,141 to Bezos discloses an Internet-based referral system that enables individuals and other business entities ("associates") to market products, in return

Art Unit: 3622

for a commission, that are sold from a merchant's Web site. The system includes automated registration software that runs on the merchant's Web site to allow entities to register as associates. Following registration, the associate sets up a Web site (or other information dissemination system) to distribute hypertextual catalog documents that includes marketing information (product reviews, recommendations, etc.) about selected products of the merchant. In association with each such product, the catalog document includes a hypertextual "referral link" that allows a user ("customer") to link to the merchant's site and purchase the product. When a customer selects a referral link, the customer's computer transmits unique IDs of the selected product and of the associate to the merchant's site, allowing the merchant to identify the product and the referring associate. If the customer subsequently purchases the product from the merchant's site, a commission is automatically credited to an account of the referring associate. The merchant site also implements an electronic shopping cart that allows the customer to select products from multiple different Web sites, and then perform a single "check out" from the merchant's site (See abstract).

WO 95/08231 to Dolphin discloses a system and method for providing the support of high-density removable media (84), such as CD-ROM or MO, to be used as distributed media for storing data where access thereto is securely restricted. Through this system and method, the secure periodic distribution of several different sets of data information (78) to the end user is achieved with access control selectively performed by at the user's site through communication with the billing/access center (81 & 82). User billing is based on the purchase of the decryption access codes (81 & 82) as indicated by

Art Unit: 3622

the access code attributes encoded on the media (84). Access code availability if further controlled by selectively providing for updates of decryption access codes (See abstract).

Any inquiry concerning this communication from the Examiner should be directed to Jean D. Janvier, whose telephone number is (571) 272-6719. The aforementioned can normally be reached Monday-Thursday from 10:00AM to 6:00 PM EST. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's Supervisor, Mr. Eric W. Stamber, can be reached at (571) 272- 6724.

Non-Official- 571-273-6719

12/22//06

JDJ

Jean D. Janvier

Patent Examiner

Art unit

**JEAN D. JANVIER
PRIMARY EXAMINER**

Jean D. Janvier